

The Feedbag

Getting Connected

MoDOT & Patrol Employees' Retirement System

January 2019

Volume #6



Director's Note

I don't know about you, but I like the accessibility and convenience of online shopping for certain things. Like anything else you do online, you have to be wise about sharing information and using legitimate, secure vendors. Doing this may ensure your online shopping experience is simple and hassle free.

Historically, most of the interaction between MPERS and its members has occurred via telephone, face to face, or via mail. Much like modern online shopping alternatives, MPERS provides plenty of opportunities for members to conduct their business from the comfort of their homes or offices using a computer, smart phone, or tablet.

For some time, MPERS has averaged 1,000 new registrations a year for individuals wanting access to *myMPERS*, their secure personal accounts. Visits to our website have grown from almost nothing when our site debuted in 2007, to over 125,000 visits last year. That is double the use from just five years ago. An online presence is no longer just a convenience, it is a necessity and an expectation. Similar to the convenience of online shopping, access to MPERS website is available 24/7 and saves you a call, a stamp, or a drive to the office.

For online services to be successful, they must be user friendly and they must be secure. Those two things are often in conflict as increasingly difficult user name and password requirements are not only a challenge to remember, but necessary to keep information secure. MPERS is continually evaluating security protocol for *myMPERS* and applying new and improved technology to protect member information, however the most important key to keeping your personal information secure is you. Never share your user names or passwords with anyone. If you use a computer available for public use, be sure to log out of your account properly and close your browser when you are finished.

All the security in the world that could be built into our system is simply not enough if users do not protect their user names and passwords.

As a general rule, until a person retires, he or she does not give much thought to the relationship with MPERS as long as we provide a future benefit every month. In reality, employees may need to check on their service totals, estimate a future benefit, update their personal information and much more. If you have yet to discover the convenience of MPERS' website, I encourage you to take an online tour or call one of our benefit specialists who can assist you with the details.

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2019 Board of Trustees Meeting Schedule

JANUARY	FEBRUARY	MARCH	APRIL
	February 21		April 25
MAY	JUNE	JULY	AUGUST
	June 20		
SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
September 26		November 21	

MPERS' Funded Status

Every fiscal year an actuarial study is conducted to establish the employer contribution rate and to measure the overall financial health of the retirement system.

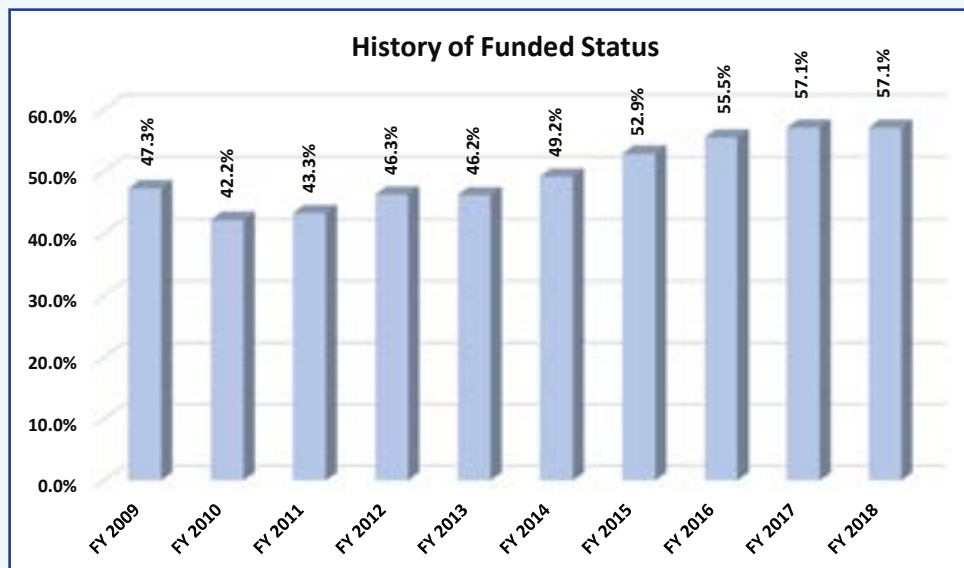
Our actuary has developed complex calculators that incorporate statistical information pertaining to MPERS' membership and investments, along with a set of predetermined assumptions (which are evaluated every five years) to determine how much money the system needs to provide the benefits earned by all eligible members. These results are then compared with the actual assets currently held by MPERS to determine the funded status. MPERS' current funded status is 57.1%.

Decisions made by multiple entities over the years regarding benefit increases, plan assumptions, contributions and investment policy coupled with market declines in the past decade, have resulted in an unfunded liability. Our funded status may seem low, but as you can see from the chart, it has increased significantly in the last few years.

During FY 2018, MPERS conducted our required five-year experience study and adjusted our actuarial assumptions to incorporate changes in mortality and to reflect a more realistic expected rate of return on our investment. Normally, when assumptions are adjusted, the funded status tends to decrease slightly. However, during FY 2018, MPERS experienced an investment return of 9.42% (which is above our assumed return of 7%). This caused our funded status to remain stable at 57.1%. Had we not adjusted our assumptions, our funded status would have increased to 59.2% for the fiscal year.

MPERS has an aggressive plan in place to address this unfunded liability and the plan is working; however, it takes time. MPERS did not become underfunded overnight and it cannot become fully funded overnight. It should also be noted that MoDOT and

off over 30 years. Every month you make your regular payment, but you also have decided to use funds earned on your investment returns to make additional payments on the principal amount of your loan. As a safety net, you also put money into a savings



the Highway Patrol (our covered employers) have contributed 100% of their actuarially required contributions and have never missed a contribution payment.

In an effort to address the System's underfunded status, the Board adopted policies intended to improve MPERS' funded status over time. A permanent policy is in place to fund the unfunded liability over a 30-year period so we are able to fully fund our benefit obligations into the future. After the great recession, a temporary funding policy was established to fund these obligations at an even faster pace. As a further step to improve our funding, the Board established a contribution stabilization reserve fund.

To clarify the previous paragraph, think of this in terms of a home loan that you have agreed to pay

account, so that if you fall short on cash, you can pull from this money to help cover your loan payment without using funds already allocated for other necessities.

We have presented some complicated information to you to deliver a relatively simple message. Your benefits and financial security are our top priority. Although we cannot change the past, what we can do is continue to work diligently to implement policies to improve our funded status until we reach our goal of becoming 100% funded.

To learn more about our funding policies, actuarial assumptions, or the overall financial health of our system, please visit our website, www.mpers.org.

MPERS' Focus on Disaster Preparation

On November 30, 2018, Anchorage, Alaska, was struck with a magnitude 7.0 earthquake that created significant damage to infrastructure and increased the possibility of landslides and tsunamis. In 2011, an EF-5 tornado ripped through the heart of Joplin, Missouri, destroying everything in its path. Nothing could have prepared the citizens of Anchorage or Joplin for what was about to occur.

What happens to your pension benefit when disaster strikes MPERS or LRS, the pension management system? Will you still receive your monthly benefit? Will it be delayed?

In the event that MPERS is impacted by a disaster and is unable to perform payroll duties, our disaster event recovery procedure will be carried out. If a disaster impacted MPERS, LRS would assume payroll duties ensuring retirees continue to receive their monthly benefit payments. In the event that LRS is struck by disaster, there is a backup location that can perform its portion of payroll duties.

On November 27, MPERS' payroll staff, in conjunction with LRS, participated in a mock disaster exercise to test the process and it was a success. Having this procedure in place ensures uninterrupted continuation of your monthly benefit payments in times of peril.

Register here for *myMPERS*
Secure Member Access

New Year's Resolution? No Problem

New year, new you. Today is the first day of the rest of your life.

There's something about a new year that fills one with optimism and hope. If you are among the millions of individuals who made New Year's resolutions and have fallen short of your expectations, you're not alone.

According to University of Scranton psychologist John Norcross, statistics show that at the end of January, around 64% of those who made resolutions are still going strong. However, six months later, that number drops to 44%.

How can you make a resolution and stick to it?

It may be simpler than you think. The American Psychological Association (APA) suggests setting small, attainable goals throughout the year instead of one overwhelming goal on January 1.

Whether you are trying to spend less and save more, or be a healthier you, the APA offers these tips when trying to decide on a New Year's resolution:

Start small. Make resolutions you think you can keep. If you want to exercise more, focus on increasing movement throughout the day. Take a 15-minute walk and/or incorporate strength training one or two days a week. If you want to eat healthier and you have a relentless sweet tooth, try a piece of fruit, yogurt, or dark chocolate.

Change one behavior at a time. Unhealthy behaviors develop over the course of time. Changing those behaviors will require time. Focus on changing one behavior at a time so you don't get overwhelmed.

Talk about it. Share your experiences with family and friends. Find a support network that will share in your struggles and celebrate your successes.

Don't beat yourself up. You are human. Perfection is unattainable. Remember that if you veer off course, that's ok. Correct your course and move forward. Everyone has ups and downs; resolve to recover from your mistakes and get back on track.

Ask for support. Accepting help from those who care about you and will listen strengthens your ability to manage stress caused by your resolution.

For more information on sticking to your New Year's resolution, please see the [American Psychological Association](https://www.apa.org) website.



MPERS' New Staff Member



MPERS welcomes new Communications Specialist, Julie West.

Julie has over eight years experience in employee benefits as well as a BA in Communication from Hannibal-LaGrange University and an MA in Communication from the University of Central Missouri.

She will be overseeing MPERS' communication efforts as well as assisting the benefit specialists.

We look forward to the enhancements she will offer to our member communications. Welcome, Julie!



The FY 2018 Comprehensive Annual Financial Report and Popular Annual Financial Report are now available on MPERS website.

2019 Pre-Retirement Seminar Schedule

Pre-retirement seminars are an excellent resource for employees who are within five years of retirement. During these seminars, representatives from MPERS, the MoDOT & Patrol Medical and Life Insurance Plan, and Deferred Compensation will be discussing topics that include MPERS' benefits, health care, deferred compensation plan and more. There is no fee for this half-day seminar and spouses or non-member guests are invited to attend with the member. We encourage members to register for the seminar(s) of their choice below through *myMPERS* Secure Member Access.

Jefferson City

March 21
May 10
June 21
August 2
September 5

Macon

March 28

Lee's Summit

April 17
April 18

Springfield

June 12
June 13

Hannibal

June 19

Sikeston

August 22

West Plains

September 11

Rolla

September 25

St. Joseph

March 26
March 27

Joplin

June 11

St. Louis

July 9
July 10



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Connect with us!



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*"The Feedbag" was conceived to get attention for a specific purpose - feedback. It worked! So we decided to keep the theme and return the favor by delivering important information to our members via these newsletters. Input on the content of these newsletters, or anything related to MPERS for that matter, is always welcome. Keep the exchange going and share your **feedbag** feedback with us at mpers@mpers.org.*